

A Revised Estimate of 2024 Kansas Net Farm Income and a Projection for 2025

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Summary¹

In June, Ibendahl presented an analysis of Kansas Net Farm Income (NFI) using Kansas Farm Management Association (KFMA) farms (see *A Preliminary Estimate of 2024 Kansas Net Farm Income and a Projection for 2025*). This June estimate was for 2024 and 2025 grain farms in Kansas. At that time, 2024 NFI was expected to increase, but still be below recent years. In the two months since, grain prices have declined more than was expected resulting in this revised NFI forecast. 2024 NFI is now forecast to be \$45,000, a decline of 50% from the 2023 NFI.

The one positive aspect of this revision is the higher than initially forecast yields for wheat, corn, and soybeans. Soybean yields in Kansas are expected to be 50% higher than in 2023. While growing conditions are better in Kansas in 2024, most of the rest of the U.S. will also have record or near record yields. These record U.S. yields are one factor in the lower grain prices.

Figure 1 has the full predicted income statements for 2024 and 2025. Figure 2 has the predicted income statement for 2024 for the east, central, and western parts of the state. Figure 3 shows the 25th percentile, the 75th percentile, the average, and the median net farm income for the last 3 years as well as the estimates for 2024 and 2025.

Figure 4 is the CDF distribution of all the grain farms used in the estimates for 2024 and 2025. A CDF distribution has the ability to show the percent of farms that will have a given level of NFI or lower. The 50% point (left vertical axis) represents the median net farm income. As this graph illustrates, between 40% and 50% of farms over the next two years could have negative net farm income. This would be a substantial increase over the 30% of farms with negative net farm income in 2023.

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	2022	2023	2024(p)	Est 2025
Income				
Beef	\$ 92,769	\$ 130,138	\$ 135,344	\$ 135,344
Dairy-livestock	-	-	-	-
Dairy-milk	-	-	-	-
Sheep	93	118	118	118
Swine	3,715	2,886	2,886	2,886
Poultry and eggs	224	225	225	225
Other livestock	1,887	890	899	899
Custom feeding	8,421	6,569	6,241	6,241
Ad hoc pmt - Livestock	-	-	-	-
<i>minus Feed purchased</i>	<u>40,355</u>	<u>41,551</u>	<u>35,319</u>	<u>35,319</u>
<i>Livestock VFP</i>	<u>\$ 66,754</u>	<u>\$ 99,276</u>	<u>\$ 110,394</u>	<u>\$ 110,394</u>
Corn	262,091	222,807	248,788	289,153
Grain sorghum	37,782	31,646	32,009	39,027
Soybeans	201,404	169,391	230,497	220,852
Sunflowers	220	519	-	-
Wheat	149,723	127,271	98,204	110,797
Hay and forage	23,814	20,910	20,910	20,910
Other crop	-	-	-	-
Govt payment (farm bill only)	24,807	24,193	12,323	19,366
Ad hoc pmt - Crops	-	-	-	-
Crop ins proceeds	153,022	124,182	39,536	38,712
Machine work	14,569	15,792	16,582	16,913
Other income and hedging	40,525	44,710	45,605	46,517
<i>Crop VFP</i>	<u>\$ 907,957</u>	<u>\$ 781,420</u>	<u>\$ 744,452</u>	<u>\$ 802,246</u>
TOTAL VFP	\$ 974,711	\$ 880,695	\$ 854,846	\$ 912,641
Expenses				
Hired Labor	25,774	28,242	30,539	32,066
Machinery Repairs	64,438	69,345	71,260	73,398
Irrigation Repairs	2,723	2,943	3,091	3,183
Building Repairs	3,910	3,768	3,957	4,076
Seed/Other Crop Expenses	83,903	90,995	93,398	93,398
Crop Insurance	32,778	34,063	34,208	35,918
Fertilizer-Lime	161,985	150,578	143,905	155,417
Machine Hire	26,064	27,071	28,193	28,757
Organization Fees, Publications	5,754	6,383	6,497	6,627
Vet-Med-Drugs	4,298	4,398	4,618	4,756
Misc Crop Expense	4,174	4,059	4,382	4,513
Misc Livestock Expense	2,952	3,605	3,785	3,898
Dairy Expense	-	-	-	-
Gas-Fuel-Oil	41,040	36,604	36,712	36,712
Irrigation Energy	6,828	4,378	4,378	4,378
Real Estate Taxes	11,339	11,922	12,279	12,648
Personal Property Taxes	2,723	2,954	3,050	3,142
General Farm Insurance	15,929	17,808	20,546	21,573
Utilities	7,391	7,564	7,963	8,202
Cash Farm Rent	52,444	54,150	56,857	57,994
Herbicide-Insecticide	102,769	104,213	108,124	111,368
Conservation	2,350	1,866	1,930	1,969
Auto Expense	860	896	791	751
Other expenses	63	34	35	36
<i>Total Operating Expenses</i>	<u>\$ 662,490</u>	<u>\$ 667,838</u>	<u>\$ 680,497</u>	<u>\$ 704,780</u>
Interest paid	22,390	27,230	28,592	28,592
Depreciation - machinery	78,256	87,071	91,424	95,995
Depreciation - buildings	8,132	8,889	9,333	9,800
Total Farm Expenses	\$ 771,267	\$ 791,028	\$ 809,847	\$ 839,168
Net Farm Income	\$ 203,445	\$ 89,667	\$ 44,999	\$ 73,473

Figure 1: 2022, 2023, Predicted 2024 and Estimated 2025 Net farm income

2024(p)

	State	East	Central	West
Income				
Beef	\$ 135,344	\$ 173,850	\$ 111,389	\$ 73,765
Dairy-livestock	-	-	-	-
Dairy-milk	-	-	-	-
Sheep	118	1	179	358
Swine	2,886	5,129	1,321	5
Poultry and eggs	225	500	-	10
Other livestock	899	1,659	311	156
Custom feeding	6,241	6,549	1,094	26,222
Ad hoc pmt - Livestock	-	-	-	-
<i>minus Feed purchased</i>	<u>35,319</u>	<u>50,149</u>	<u>21,201</u>	<u>31,812</u>
<i>Livestock VFP</i>	\$ <u>110,394</u>	\$ <u>137,537</u>	\$ <u>93,093</u>	\$ <u>68,704</u>
Corn	248,788	262,885	156,504	571,328
Grain sorghum	32,009	4,729	42,846	100,977
Soybeans	230,497	261,892	241,022	56,096
Sunflowers	-	-	-	-
Wheat	98,204	68,128	117,388	144,342
Hay and forage	20,910	14,146	25,584	29,800
Other crop	-	-	-	-
Govt payment (farm bill only)	12,323	6,180	17,491	16,583
Ad hoc pmt - Crops	-	-	-	-
Crop ins proceeds	39,536	36,220	35,222	71,188
Machine work	16,582	16,456	14,008	27,737
Other income and hedging	45,605	45,263	41,019	65,980
<i>Crop VFP</i>	\$ <u>744,452</u>	\$ <u>715,900</u>	\$ <u>691,083</u>	\$ <u>1,084,031</u>
TOTAL VFP	\$ <u>854,846</u>	\$ <u>853,437</u>	\$ <u>784,176</u>	\$ <u>1,152,735</u>
Expenses				
Hired Labor	30,539	38,338	20,128	41,039
Machinery Repairs	71,260	72,331	68,280	79,102
Irrigation Repairs	3,091	476	3,474	12,406
Building Repairs	3,957	4,216	2,957	7,009
Seed/Other Crop Expenses	93,398	110,193	73,560	105,343
Crop Insurance	34,208	30,021	26,558	83,275
Fertilizer-Lime	143,905	154,101	123,711	184,831
Machine Hire	28,193	28,739	24,066	42,966
Organization Fees, Publications	6,497	6,816	5,633	8,743
Vet-Med-Drugs	4,618	4,740	4,175	5,937
Misc Crop Expense	4,382	5,133	3,214	6,071
Misc Livestock Expense	3,785	4,449	3,163	3,583
Dairy Expense	-	-	-	-
Gas-Fuel-Oil	36,712	41,779	30,538	41,101
Irrigation Energy	4,378	533	4,678	19,169
Real Estate Taxes	12,279	12,503	11,368	15,112
Personal Property Taxes	3,050	3,539	2,444	3,515
General Farm Insurance	20,546	22,373	17,620	25,020
Utilities	7,963	9,081	7,003	7,269
Cash Farm Rent	56,857	61,122	44,399	90,551
Herbicide-Insecticide	108,124	104,388	94,621	179,502
Conservation	1,930	3,317	967	125
Auto Expense	791	631	782	1,496
Other expenses	35	(4)	74	35
<i>Total Operating Expenses</i>	\$ <u>680,497</u>	\$ <u>718,817</u>	\$ <u>573,411</u>	\$ <u>963,200</u>
Interest paid	28,592	28,076	25,763	42,437
Depreciation - machinery	91,424	102,485	72,732	122,537
Depreciation - buildings	9,333	11,479	5,810	14,942
Total Farm Expenses	\$ <u>809,847</u>	\$ <u>860,857</u>	\$ <u>677,716</u>	\$ <u>1,143,116</u>
Net Farm Income	\$ <u>44,999</u>	\$ <u>(7,420)</u>	\$ <u>106,460</u>	\$ <u>9,619</u>

Figure 2: Predicted 2024 Net farm income for Regions of the State

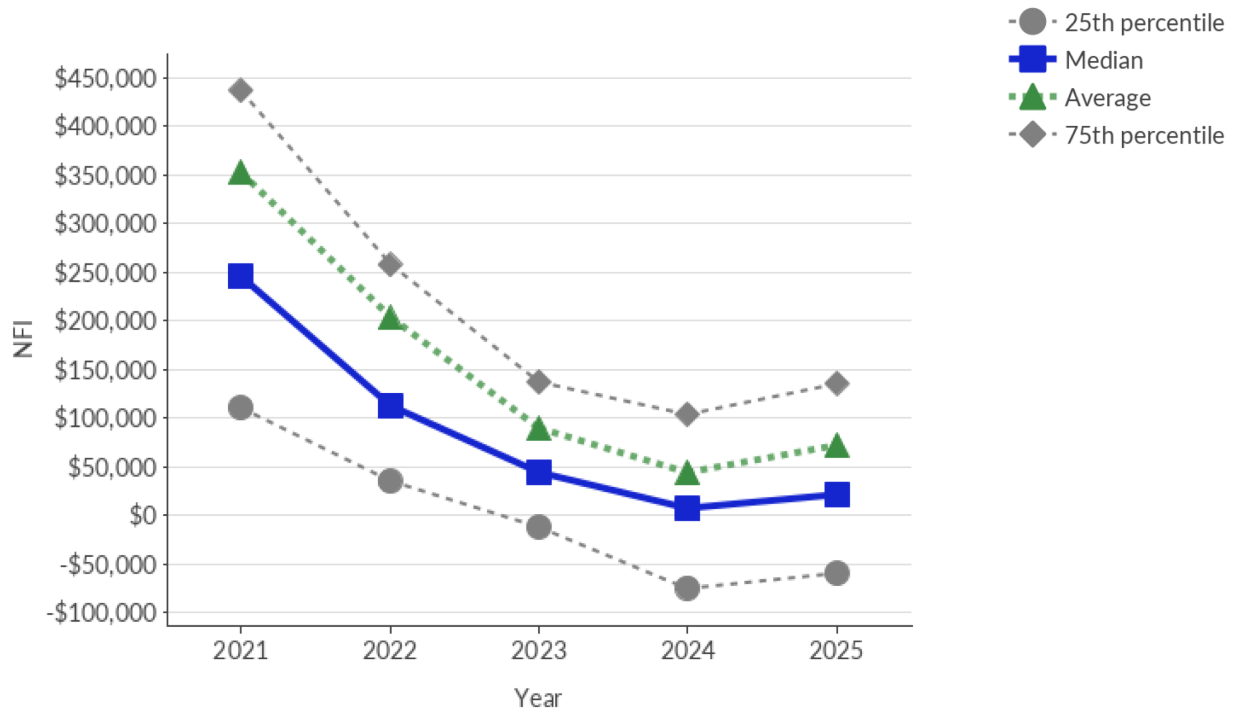


Figure 3: The 25th Percentile, the Median, the Average, and the 75th Percentile of Net Farm Income From 493 KFMA Grain Farms

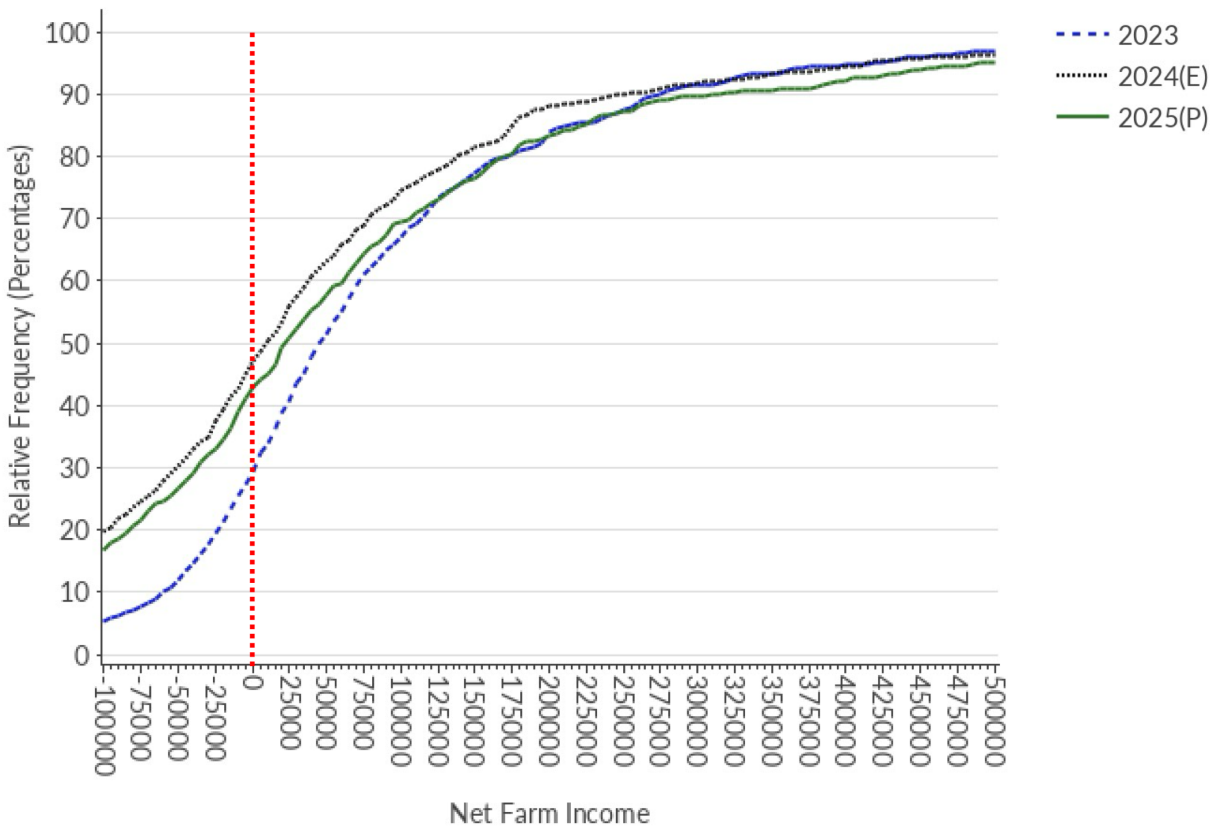


Figure 4: Comparison of 2023 NFI and Predicted 2024 and 2025 NFI for KFMA Grain Farms